



General Assembly

February Session, 2008

Bill No. 40

LCO No. 560

* SB00040PH_FIN030708 *

Referred to Committee on Public Health

Introduced by:

SEN. MCKINNEY, 28th Dist.

REP. CAFERO, 142nd Dist.

AN ACT CONCERNING SUPPORTIVE HOUSING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17a-485c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Commissioner of Mental Health and Addiction Services, in
4 collaboration with the Commissioners of Social Services, Children and
5 Families and Economic and Community Development and the
6 Connecticut Housing Finance Authority, shall establish a Supportive
7 Housing Initiative to provide additional units of affordable housing
8 and support services to eligible persons. The Supportive Housing
9 Initiative shall be implemented in two phases with the first phase to be
10 known as the Supportive Housing Pilots Initiative and the second
11 phase to be known as the Next Steps Initiative.

12 (b) The Supportive Housing Pilots Initiative shall provide up to six
13 hundred fifty additional units of affordable housing and support
14 services to eligible households, as defined in section 17a-484a, and to

15 persons with serious mental health needs who are community-
16 supervised offenders supervised by the executive or judicial branch.
17 Such housing shall be permanent supportive housing or transitional
18 living programs, and the permanent supportive housing may include
19 both individuals and families with special needs and individuals and
20 families without such needs.

21 [(c) Not later than January 1, 2002, the Secretary of the Office of
22 Policy and Management and the Commissioner of Mental Health and
23 Addiction Services shall enter into a memorandum of understanding
24 with the Departments of Social Services and Economic and
25 Community Development and the Connecticut Housing Finance
26 Authority. The memorandum of understanding shall provide that: (1)
27 A collaborative plan shall be submitted with specific timetables to
28 create up to six hundred fifty dwelling units of supportive housing,
29 which may include the construction of up to three hundred new units
30 of supportive housing; (2) the Department of Social Services may
31 provide project-based rental subsidy certificates; (3) the Connecticut
32 Housing Finance Authority and the Department of Economic and
33 Community Development shall provide grants, mortgage loans and
34 tax credits that offer a viable financing package, including capitalized
35 operating reserves, for the construction of up to three hundred new
36 units of supportive housing; (4) the Department of Mental Health and
37 Addiction Services shall provide annual grants to the projects for
38 supportive services during the term of any mortgage loan; (5) there
39 shall be a plan for private and federal predevelopment financing and
40 financing from nonstate sources for grants and loans from private
41 investment through federal and state tax credit programs and federal
42 project-based rental subsidies; and (6) not later than July 1, 2002, the
43 Connecticut Housing Finance Authority shall issue a request for
44 proposals by persons or entities interested in participating in such
45 initiative with priority given to applicants that include organizations
46 deemed qualified to provide services by the Department of Mental
47 Health and Addiction Services pursuant to a request for qualifications.
48 The Connecticut Housing Finance Authority shall review and

49 underwrite projects developed under the Supportive Housing Pilots
50 Initiative.]

51 [(d)] (c) The Next Steps Initiative shall provide up to [five hundred]
52 one thousand additional units of affordable housing and support
53 services to: (1) Eligible households, as defined in section 17a-484a; (2)
54 families who are eligible under the state plan for the federal temporary
55 assistance for needy families program; (3) adults who are eighteen to
56 twenty-three years of age, inclusive, and who are homeless, or at risk
57 for becoming homeless because they are transitioning from foster care
58 or other residential programs; and (4) persons with serious mental
59 health needs who are community-supervised offenders supervised by
60 the executive or judicial branch. Such housing shall be permanent
61 supportive housing and may include both individuals and families
62 with special needs and individuals and families without such needs.

63 [(e) Not later than October 1, 2005, the Secretary of the Office of
64 Policy and Management and the Commissioner of Mental Health and
65 Addiction Services shall enter into a memorandum of understanding
66 with the Departments of Social Services, Children and Families and
67 Economic and Community Development and the Connecticut Housing
68 Finance Authority. The memorandum of understanding shall provide
69 that: (1) A collaborative plan shall be submitted with specific
70 timetables to create up to five hundred dwelling units of supportive
71 housing under the Next Steps Initiative; (2) the Department of Social
72 Services may provide subsidies, including, but not limited to, project-
73 based rental subsidy certificates during the term of any mortgage loan,
74 that may include payments to fund reasonable repair and replacement
75 reserves; (3) the Connecticut Housing Finance Authority and the
76 Department of Economic and Community Development may provide
77 grants, mortgage loans or tax credits, or any combination thereof that
78 offer a viable financing package, including capitalized operating
79 reserves; (4) the Departments of Mental Health and Addiction Services,
80 Social Services and Children and Families may provide annual grants
81 to the projects for supportive services during the term of any mortgage

82 loan; (5) there shall be a plan for private and federal predevelopment
83 financing and financing from nonstate sources for grants and loans
84 from private investment through federal and state tax credit programs
85 and federal project-based rental subsidies; and (6) the parties to the
86 memorandum of understanding may include such other provisions to
87 the memorandum of understanding that the parties find: (A)
88 Necessary to assure the effectuation of the Supportive Housing
89 Initiative, and (B) appropriate for repayment of state assistance to the
90 state, as a result of payment of mortgage loans by the Connecticut
91 Housing Finance Authority from federal or other sources of revenue, if
92 any. Not later than January 1, 2006, the]

93 (d) The Connecticut Housing Finance Authority shall issue one or
94 more requests for proposals by persons or entities interested in
95 participating in such initiative with priority given to applicants that
96 include organizations deemed qualified to provide services by the
97 Departments of Mental Health and Addiction Services, Social Services
98 and Children and Families. The Connecticut Housing Finance
99 Authority shall review and underwrite projects developed under the
100 Supportive Housing Initiative. For purposes of this subsection, "state
101 assistance" means a payment by the state of actual debt service,
102 comprised of principal, interest, interest rate swap payments, liquidity
103 fees, letter of credit fees, trustee fees, and other similar bond-related
104 expenses.

105 [(f) Not later than January 1, 2006, the Commissioners of Mental
106 Health and Addiction Services, Children and Families, Social Services
107 and Economic and Community Development and the Connecticut
108 Housing Finance Authority shall submit an interim status report
109 relative to the Supportive Housing Initiative established under this
110 section to the joint standing committees of the General Assembly
111 having cognizance of matters relating to public health, human services,
112 finance, revenue and bonding and appropriations and the budgets of
113 state agencies. Not later than January 1, 2007, the Commissioners of
114 Mental Health and Addiction Services and Economic and Community

115 Development and the Connecticut Housing Finance Authority shall
116 submit a final report to said committees with respect to the Supportive
117 Housing Initiative and the report shall include, but not be limited to,
118 information indicating (1) the number and location of the units of
119 supportive housing created, (2) the number of individuals served, (3)
120 the number and type of services offered, and (4) the estimated amount
121 of cost avoidance achieved as a direct result of such initiative.]

122 Sec. 2. Section 17a-485e of the general statutes is repealed and the
123 following is substituted in lieu thereof (*Effective from passage*):

124 (a) For purposes of this section "state assistance" means a payment
125 by the state of actual debt service, comprised of principal, interest,
126 interest rate swap payments, liquidity fees, letter of credit fees, trustee
127 fees, and other similar bond-related expenses.

128 (b) [On and after January 1, 2006, the] The State Bond Commission
129 may authorize the State Treasurer and the Secretary of the Office of
130 Policy and Management to enter into a contract or contracts to provide
131 state assistance on bonds issued by the Connecticut Housing Finance
132 Authority as provided in this section. If so authorized by the State
133 Bond Commission, the state, acting by and through the Secretary of the
134 Office of Policy and Management and State Treasurer, shall enter into
135 a contract or contracts with the Connecticut Housing Finance
136 Authority that provide the state shall pay to said authority state
137 assistance on bonds issued by said authority for purposes of providing
138 funds for mortgage loans made by said authority pursuant to the
139 provisions of section 17a-485c, as amended by this act, funds for
140 reasonable repair and replacement reserves and costs of issuance in an
141 aggregate principal amount not to exceed [seventy] one hundred five
142 million dollars. Any provision of such a contract entered into
143 providing for payments equal to annual debt service shall constitute a
144 full faith and credit obligation of the state and as part of the contract of
145 the state with the holders of any bonds or refunding bonds, as
146 applicable, appropriation of all amounts necessary to meet punctually
147 the terms of such contract is hereby made and the State Treasurer shall

148 pay such amounts as the same become due. The Connecticut Housing
 149 Finance Authority may pledge such state assistance as security for the
 150 payment of such bonds or refunding bonds issued by said authority.
 151 Any bonds so issued for the Supportive Housing Initiative by the
 152 Connecticut Housing Finance Authority and at any time outstanding
 153 may at any time or from time to time be refunded, in whole or in part,
 154 by the Connecticut Housing Finance Authority by the issuance of its
 155 refunding bonds in such amounts as the authority may deem
 156 necessary or appropriate but not exceeding an amount sufficient to
 157 refund the principal amount of the bonds to be so refunded, any
 158 unpaid interest thereon, and any premiums, commissions and costs of
 159 issuance necessary to be paid in connection therewith. The state, acting
 160 by and through the Office of Policy and Management and the State
 161 Treasurer and without further authorization, may execute an
 162 amendment to any contract providing state assistance as required in
 163 connection with such refunding bonds.

164 (c) Notwithstanding any contract entered into by the state with the
 165 Connecticut Housing Finance Authority for state assistance the bonds
 166 or refunding bonds to which such state assistance applies shall not
 167 constitute bonds or notes issued or guaranteed by the state within the
 168 meaning of section 3-21.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	17a-485c
Sec. 2	<i>from passage</i>	17a-485e

PH

Joint Favorable C/R

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